

Sequoia Launch – Series 70



Barclays Multi-Asset Alternative Risk Premia Index 8 December 2023 Offer Close Date¹

Sequoia Launch Series 70 enables investors to gain exposure to the Barclays Alternative Risk Premia Select RC 4% ER USD Index with minimal upfront capital

¹The Issuer may, in its discretion, extend or shorten the Offer Period for the Units without prior notice. If this happens, the Commencement Date and one or more consequential dates for the Units may vary.

Sequoia Launch Series 70

The Units in Launch Series 70 offer investors the ability to gain 100% leveraged exposure to the performance the Barclays Alternative Risk Premia Select RC 4% ER USD Index (“**the Barclay’s Multi-Asset ARP Index**”). This index is a cross-asset, multi-strategy index referencing a portfolio of Alternative Risk Premia (ARP) strategies.

The above index aims to perform positively under different market environments and deliver returns uncorrelated to traditional asset classes (e.g. equities and bonds).

Additionally, Launch Series 70 Units offer:

- The ability to borrow 100% of the Investment Amount via a Limited Recourse Investment Loan for 2 years at a competitive Interest Rate of 2.55% p.a;
- Potential to receive an uncapped Performance Coupon at Maturity based on the Index Performance during the Investment Term applied to the 100% leveraged Investment Amount adjusted for changes in the AUD/USD exchange rate;

Your investment into Launch Series 70 is funded via a 2 year Limited Recourse Loan (“**the Loan**”) and you are required to pay upfront all Prepaid Interest under the Loan and the Application Fee before the investment commences on the Commencement Date. The Prepaid Interest plus the Application Fee is referred to as the Total Investment Cost for both series.

Minimum Amounts Payable

Minimum Prepaid Interest	\$5,100
Minimum Application Fee	\$850
Minimum Total Investment Amount (excluding any Upfront Adviser Fee)	\$5,950

The Minimum Amounts Payable above is the minimum cost Investors will be required to pay to invest in Units and relate to amounts payable for a Minimum Loan Amount of \$100,000 which is used to fund the purchase of the Minimum Number of Units of 100,000 Units at \$1.00 per Unit.

Summary of the key features are as follows

Launch Series 70	
Reference Asset/Index	Barclays Alternative Risk Premia Select RC 4% ER USD Index Bloomberg code: BXIIAS4U Index https://indices.cib.barclays/arp4 If you would like a copy of the Index Rules specifying exactly how the value of the Index is calculated please contact the Issuer at: Email: specialistinvestments@sequoia.com.au ; or Phone: 02 8114 2229
Potential Performance Coupon	Yes, there is potential for an uncapped Performance Coupon at Maturity based on the Index Performance at Maturity, adjusted for any changes in the AUD/USD exchange rate during the Investment Term.
Currency Exposure	Yes, the potential Performance Coupon at Maturity is adjusted for changes in the AUD/USD exchange rate during the Investment Term.
Limited recourse Loan	Yes. Investors borrow 100% of the Investment Amount.
Investment Term	2 years
Annual Interest Rate on Loan	2.55% p.a.
Application Fee	0.85% including GST

Total Investment Cost

5.95% (payable upfront)

Minimum Amount Payable

\$5,950 for a \$100,000 Loan and 100,000 Units

Break-Even Point

The Performance Coupon at Maturity needs to be equal to or greater than 5.95% in order for investors to at least break-even (excluding any Upfront Adviser fee and any external costs). Refer to section 4 of the Term Sheet PDS for more information.

Maximum Loss

Due to the limited recourse loan the maximum loss that can be ever incurred is the Total Investment Cost plus any Upfront Adviser Fee. There is no additional risk of loss in relation to the Loan Amount.

Margin Calls

No

SMSF Eligibility

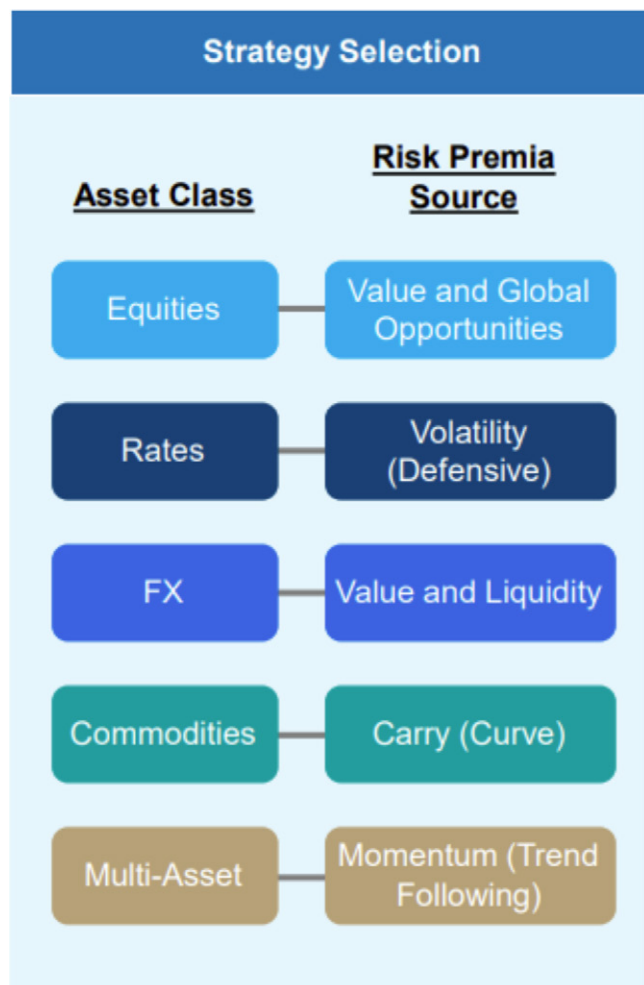
Yes

Barclay's Multi-Asset ARP Index: Launch Series 70

The Barclay's Multi-Asset ARP Index aims to deliver positive performance under different market environments and seeks to generate returns uncorrelated to traditional asset classes. It consists of a portfolio of Barclay's flagship Alternative Risk Premia (ARP) indices that have the objective of extracting risk premia from a variety of asset classes. It is constructed with robust risk management whereby the allocation between each strategy is based on equal risk contribution, along with 4% volatility control mechanism and 120% maximum exposure.

For further details please see below link below:

<https://indices.cib.barclays/arp4>



Examples of Total Investment Cost

Assuming you wish to get exposure to the Barclays Alternative Risk Premia Select RC 4% ER USD Index with minimal upfront capital, you decide to take out a limited recourse loan and invest the proceeds into Sequoia Launch Series 70. A few examples of the Total Investment Cost payable depending on the size of the Loan and Investment Amounts are outlined below.

	Example 1	Example 2	Example 3
Investment Amount	\$100,000	\$500,000	\$1,000,000
Loan	(\$100,000)	(\$500,000)	(\$1,000,000)
Prepaid Interest for 2 year Investment Term (2 x 2.55% p.a. x Investment Amount)	(\$5,100)	(\$25,500)	(\$51,000)
Application Fee including GST (0.85%)	(\$850)	(\$4,250)	(\$8,500)
Total Investment Cost*	(\$5,950)	(\$29,750)	(\$59,500)

*This excludes any Upfront Adviser Fee

When will investors generate a profit from Sequoia Launch Series 70

It is important for investors to understand that in order to recoup the Total Investment Cost and generate a profit on this investment then the Performance Coupon at Maturity needs to be greater than the Break-Even Point of 5.95% (excluding any Upfront Adviser Fee and any external costs, such as tax).

As such, the Series Performance will need to be strong over the next 2 years in order for you to at least break-even and generate a profit. The Series Performance depends on the Index Performance adjusted for changes in the AUD/USD exchange rate during the Investment Term.

Hypothetical Examples

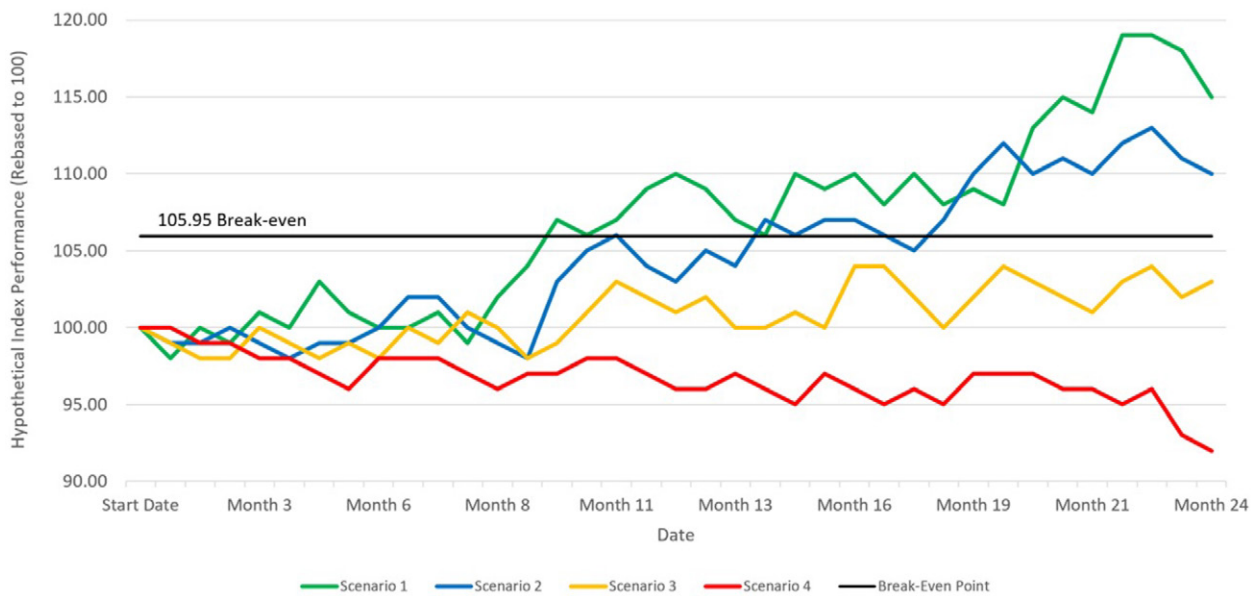
In the example below we look at 4 potential hypothetical scenarios. Please note that these are theoretical scenarios only and provided for illustrative purposes only and are not intended to be a forecast, do not indicate past performance, and are not a guarantee that similar returns will be achieved in the future in relation to Launch 70. The actual final result for either investment is likely to be different to any of the hypothetical scenarios below and will depend on the actual Series Performance realised by Maturity for each series.

If we assume a \$100,000 Loan Amount and Investment Amount, the cash flows would be as follows under these 4 hypothetical scenarios.

		Total Investment Cost	Series Performance at Maturity*	Performance Coupon at Maturity	Net Profit or (Loss)**
Scenario 1	Very Strong	(\$5,950)	+15%	\$15,000	\$9,050
Scenario 2	Moderately Strong	(\$5,950)	+10.0%	\$10,000	\$4,050
Scenario 3	Weak	(\$5,950)	+3%	\$3,000	(\$2,950)
Scenario 4	Negative	(\$5,950)	-8%	\$0	(\$5,950)

* Series Performance at Maturity is calculated as the Index Performance at Maturity adjusted for changes in the AUD/USD exchange rate expressed as a percentage of the Investment Amount, floored at zero. The actual Series Performance at Maturity will depend on the Index Performance and AUD/USD exchange rate as at the Maturity Date

**Excludes any Upfront Adviser Fee, tax, and any other external costs paid by the Investor in connection with investing in Units.



Key Risks

Key risks include:

- Risk of 100% loss in relation to the Total Investment Cost and Upfront Adviser Fee. The Total Investment Cost equals the Prepaid Interest in relation to the Loan and the Application Fee. Investors may also incur an Upfront Adviser Fee in addition. A 100% loss will occur if there are no Performance Coupon is paid at Maturity. This will be the case if the Index Performance is less than or equal to zero on the Performance Coupon Date;
- Risk of partial loss (i.e. less than 100% loss) in relation to the Total Investment Cost and Upfront Adviser Fee. The Total Investment Cost equals the Prepaid Interest in relation to the Loan and the Application Fee. Investors may also incur an Upfront Adviser Fee in addition. Investors may incur a partial loss if the Performance Coupon received during the Investment Term is less than the Break-Even Point;
- Timing risks. The timing risk is significant. This is because the Investment Term is fixed and the Performance Coupon received at the end of the Investment Term needs to exceed the Total Investment Cost by the time the Maturity Date arrives in order for the investor to generate a profit from their investment (ignoring any Upfront Adviser Fee and any external costs). If this does not occur by the Maturity Date then Investors will generate a loss;
- The Performance Coupon at Maturity is determined by reference to the Index Performance as well as the change in the AUD/USD exchange rate during the Investment Term. An increase in the AUD/USD exchange rate between the Commencement Date and the Performance Coupon Date will reduce any potential Performance Coupon payable (if any) whilst a decrease in the AUD/USD rate between the relevant dates will lead to an increase in the potential Performance Coupon payable (if any). As such, whether or not you break-even depends on both the Index Performance and the AUD/USD exchange rate performance during the Investment Term;
- Volatility and exposure risk – the volatility control mechanism used by the Index means that if there is high volatility in the relevant underlying portfolio during the Investment Term there is a risk the Index will have little to no exposure to this portfolio during some or all of the Investment Term, which may provide some protection against decreases in the prices of the portfolio comprising the Index however it may also limit the Index's (and the Units') exposure to increases in the prices of the relevant portfolio comprising the Index. To the extent the Index has an exposure primarily to cash as a result of the volatility control mechanism, the Index will be unlikely to generate the Index Performance required for investors to generate a profit;
- There is no guarantee that the Units will generate returns in excess of the Prepaid Interest and Fees, during the Investment Term;
- Additionally, in the event of an Investor requested Issuer Buy-Back or Early Maturity Event, you will not receive a refund of your Prepaid Interest or Fees. The amount received will depend on the market value of the Units which will be determined by many factors before the Maturity Date including prevailing interest rates in Australia and internationally, foreign exchange rates, the remaining time to Maturity, and general market risks and movements including the volatility of the Index. Investors should be aware the Units are designed to be held to Maturity and are not designed to be held as a trading instrument;

- Gains (and losses) may be magnified by the use of a 100% Loan. However, note that the Loan is a limited recourse Loan, so you can never lose more than your Prepaid Interest Amount and Fees paid at Commencement.
- Investors are subject to counterparty credit risk with respect to the Issuer and the Hedge Counterparty; and
- the Units may mature early following an Early Maturity Event, including an Adjustment Event, Market Disruption Event or if the Issuer accepts your request for an Issuer Buy-Back.

Please refer to Section 2 “Risks” of the Master PDS for more information.

To find out more and to download a copy of the relevant Product Disclosure Statements and Target Market Determination, please visit Sequoia Specialist Investments at www.sequoiasi.com.au

*The Issuer may, in its discretion, extend or shorten the Offer Period for the Units without prior notice. If this happens, the Commencement Date and one or more consequential dates for the Units may vary. The Issuer may also defer the Commencement Date for the Units, in which case the Maturity Dates and other consequential dates for the Units may vary. If the Issuer varies the Offer Period or the Commencement Date for the Units it will post a notice on the website informing applicants of the change at www.sequoia.com.au

Units in Sequoia Launch Series 70 are issued by Sequoia Specialist Investments Pty Ltd (ACN 145 459 936) (the “Issuer”) and arranged by Sequoia Asset Management Pty Ltd (ACN 135 907 550, AFSL 341506) (the “Arranger”). Investments in the Sequoia Launch Series 70 Units can only be made by completing an Application Form attached to the Term Sheet Product Disclosure Statement (“Term Sheet PDS”), after reading the Term Sheet PDS dated 11 October 2023 and the Master PDS dated 14 August 2017 and submitting it to Sequoia. A copy of the Term Sheet PDS and Master PDS can be obtained by contacting Sequoia Asset Management on 02 8114 2222 or contacting your financial adviser. You should consider the Term Sheet PDS and Master PDS before deciding whether to invest in Units in Sequoia Launch Series 70. Capitalised terms on the webpage have the meaning given to them in Section 10 “Definitions” of the Master PDS.

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